

# *Foundations of* **MARKETING**

Seventh Edition

## **Chapter 6**

### **Consumer Buying Behavior**

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# Customer Relationship Management

**Customer relationship management (CRM)** - using information about customers to create marketing strategies that develop and sustain desirable customer relationships

- Acquiring new customers
- Enhancing profitability of existing customers
- Extending the duration of customer relationships

# Relationship Marketing

**Relationship marketing** - long-term and mutually beneficial arrangement

- Deepens the buyers trust
- Building satisfying exchange relationships between buyers and sellers requires
  - Gathering useful data at all customer contact points
  - Analyzing that data to better understand customers' needs, desires, and habits



# Buying Behavior

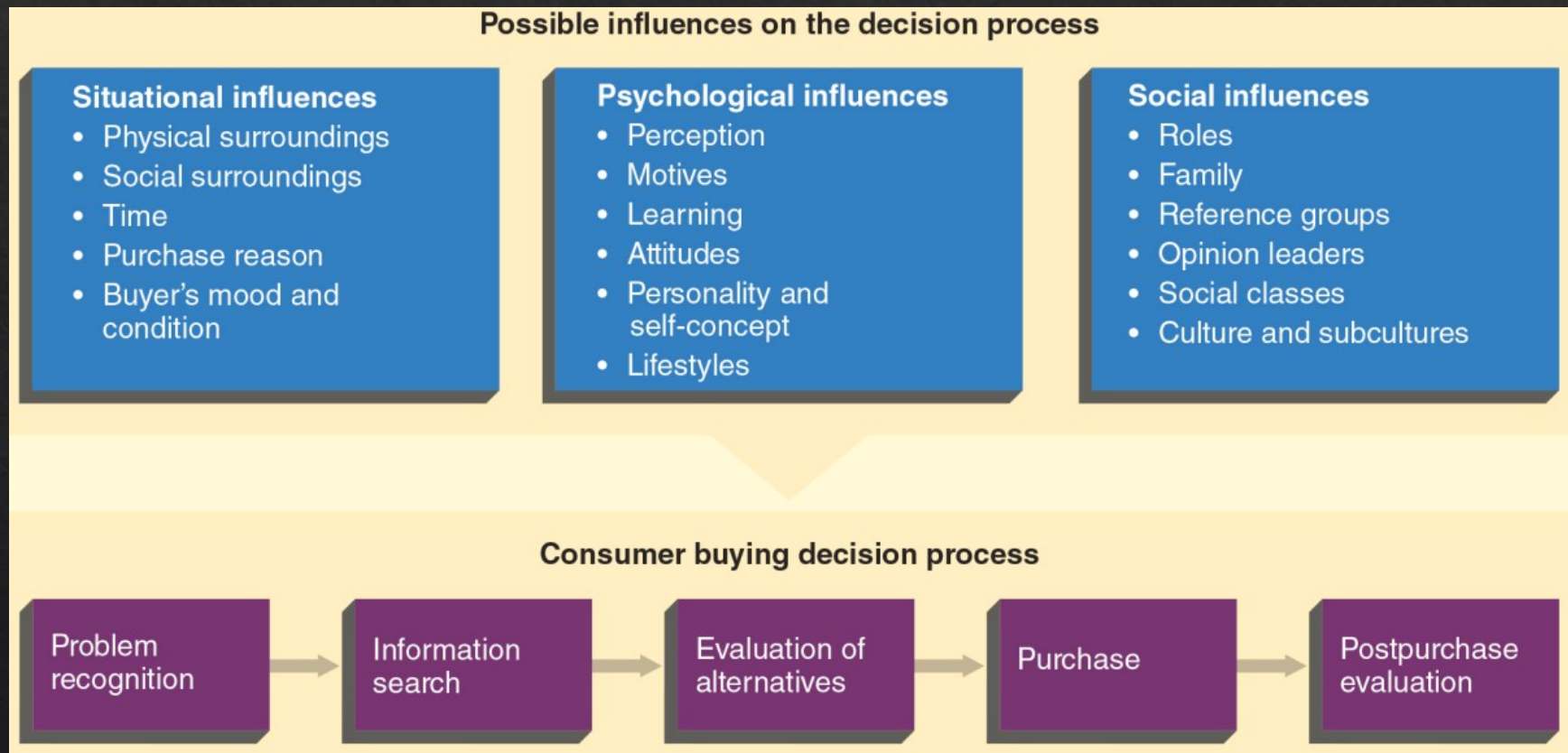
- **Buying behavior** - decision processes and actions of people involved in buying and using products
- **Consumer buying behavior** - decision processes of consumers who purchase products for personal or household use and not for business purposes

# Consumer Buying Decision Process

**Consumer buying decision process** - a five-stage purchase decision process

- Affected by the following influences:
  - Situational
  - Psychological
  - Social
- Not all decision processes lead to a purchase
- Not all consumer decisions include all five stages

# Figure 6.1 - Consumer Buying Decision Process and Possible Influences on the Process





# Information Search

- **Internal search** - buyers search their memories for information about products
- **External search** - buyers seek information from sources other than their memories

# Evaluation of Alternatives

- **Consideration set** - group of brands within a product category that a buyer views as possible alternatives
- **Evaluative criteria** - objective and subjective product characteristics that are important to a buyer
- Marketers influence consumers' evaluations by framing the alternatives



# Postpurchase Evaluation

**Cognitive dissonance** - doubts in buyer's mind about whether decision to buy certain product was right

- Cause - purchase of expensive, high-involvement product lacking desirable features of competing brands
- Lessened by contacting recent customers regarding the purchase

# Level of Involvement

**Level of involvement** - a person's degree of interest in a product and the importance of that product

- High-involvement products - Visible to others and are expensive
- Low-involvement products - Less expensive and have less associated social risk
- Enduring involvement - long-term interest in a product or product category
- Situational involvement - temporary and dynamic and results from a particular set of circumstances

# Factors Influencing Level of Involvement

Product categories

Loyalty to a specific brand

Interest in a specific advertisement

Medium

Certain decisions and behaviors



# Consumer Decision Making

- **Routinized response behavior** – buying frequently purchased, low-cost items that require very little search-and-decision effort
- **Limited decision making** – purchasing products occasionally or from unfamiliar brands in a familiar product category
- **Extended decision making** – occurs with high-involvement, unfamiliar, expensive, or infrequently-purchased items
- **Impulse buying** – no conscious planning; stems from a powerful urge to buy something immediately

# Table 6.1 - Consumer Decision Making

	Routinized Response	Limited	Extended
Product cost	Low	Low to moderate	High
Search effort	Little	Little to moderate	Extensive
Time spent	Short	Short to medium	Lengthy
Brand preference	More than one is acceptable, although one may be preferred	Several	Varies, usually many

# Discussion Point – Low-Involvement Products



Chips are low-involvement products because they are inexpensive and purchased frequently. When buying chips, consumers usually employ routinized response behavior.



*Do you think the level of involvement changes with consumer income level for some products?*



# Situational Influences

**Situational influences** - result from circumstances, time, and location that affect the consumer buying decision process

- Impact the buyer during any stage of the consumer buying decision process
- Cause the individual to shorten, lengthen, or terminate the process

# Classification of Situational Factors

- Physical surrounding
- Social surrounding
- Time perspective
- Reason for purchase
- Momentary mood and condition

# Psychological Influences

**Psychological influences** - partly determine people's general behavior and influence their behavior as consumers

- Strongly affected by external social forces
- Consumer behavior based psychological influences
  - Perception
  - Motives
  - Learning
  - Attitudes and personality
  - Self-concept and lifestyles



# Perception

- **Perception** - process of selecting, organizing, and interpreting information inputs to produce meaning
- **Information inputs** - sensations received through sight, taste, hearing, smell, and touch

# Perception Process – Step 1

**Selective exposure** – the process of selecting some sensory inputs and ignore others

- **Selective distortion** - changing or twisting of information that is inconsistent with personal feelings or beliefs
- **Selective retention** - remembering information inputs that support personal feelings and beliefs and forgetting inputs that do not

# Perceptual Process – Steps 2 and 3

- **Perceptual organization** - organizing and integrating new information with what is stored in memory
- **Interpretation** - assigning meaning to what has been organized



# Problems in Perception

- Probability that seller's information never reaches the target
- Buyer receives information but perceives it differently than was intended
- Buyers who perceive information inputs to be inconsistent with prior beliefs will forget the information quickly

# Discussion Point - Perception



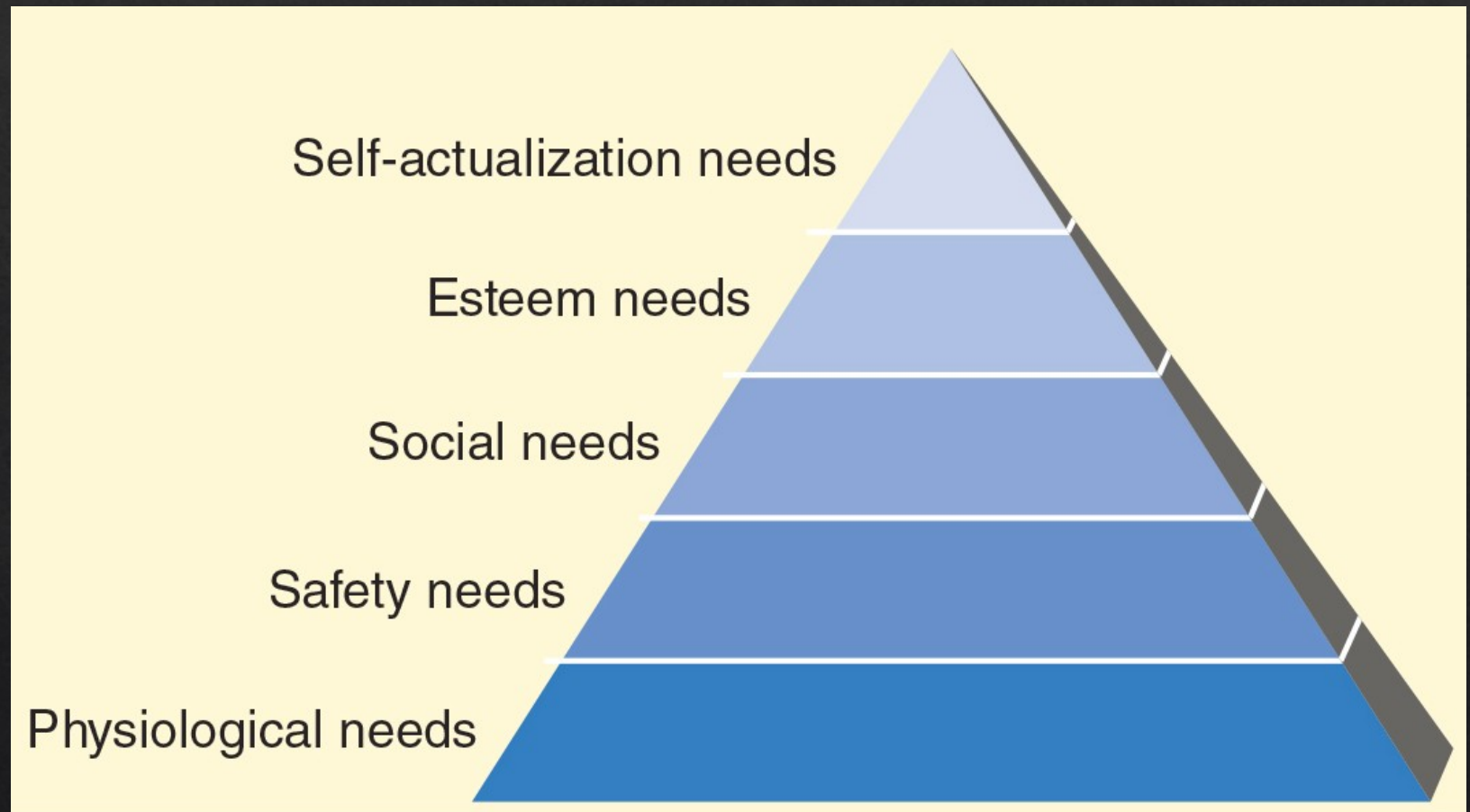
*Do you see two women or three columns?*

# Motives

- **Motive** - internal energizing force that directs a person's activities toward satisfying needs or achieving goals
- **Maslow's hierarchy of needs** - humans seek to satisfy five levels of needs from most to least basic to survival
- **Patronage motives** - influence which establishments where a customer frequently purchases



# Figure 6.2 - Maslow's Hierarchy of Needs



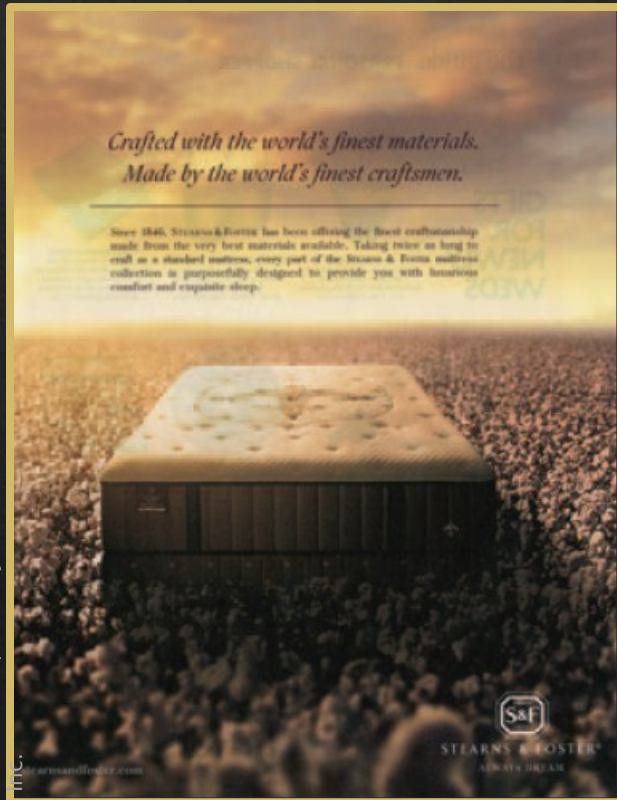
# Discussion Point – Physiological Needs



Stearns & Foster mattresses help an individual sleep better by providing high quality mattresses. This product contributes to achieving physiological needs, since sleep is a basic function of survival.

*Can you think of an ad that influenced you to buy a produce because of physiological needs?*

Source: Tempur Sealy International, Inc.



# Learning

**Learning** - changes in thought processes and behavior caused by information and experience

- Consequences of behavior influences learning behavior
- Customers learn about products through experience; salespeople, advertisements, websites, friends, and relatives



# Attitude

**Attitude** - enduring evaluation of feelings about and behavioral tendencies toward an object or idea

- Develops toward something that is:
  - Tangible or intangible
  - Living or nonliving
- Acquired through:
  - Experience
  - Interaction with other people

# Components of Attitude

## Cognitive

- Knowledge and information about the object or idea

## Affective

- Feelings and emotions toward the object or idea

## Behavioral

- Actions regarding the object or idea

# Attitude - Academic Models

## Attitude Toward the Object Model (Fishbein model)

- Used to understand and predict consumer's attitude
- Consists of elements that combine to form the overall attitude
  - Beliefs about product attributes
  - Strength and evaluation of beliefs

## Behavioral Intentions Model (Theory of Reasoned Action)

- Focuses on intentions to act or purchase
- Considers consumer perceptions of what other people believe is the best choice among a set of alternatives



# Attitude Scales

**Attitude scale** – a series of adjectives, phrases, or sentences about an object

- Used to indicate the intensity of individual feelings toward the object by reacting to the adjectives, phrases, or sentences
- Identifies need to change perception of the product

# Discussion Point – Communication to Influence Attitudes



The maker of Silk is seeking to change consumer attitudes about almond milk by highlighting results from a taste test where more people preferred the taste of almond milk over dairy milk.

*Do you choose to buy products because your peers recommend them?*

# Personality

**Personality** - internal traits and behavioral tendencies resulting in consistent patterns of behavior in certain situations

- Influences types and brands of products purchased; marketers aim advertising for specific personality types
- **Self concept** - perception or view of oneself
  - Buyers purchase products that reflect and enhance their self-concepts
  - Purchase decisions are important to the development and maintenance of a stable self-concept



# Lifestyles

**Lifestyle** - individual's pattern of living expressed through activities, interests, and opinions influenced by:

- Consumers' product needs
- Brand preferences
- Choice of media
- How and where an individual shops

# Types of Social Influences

**Social influences** - forces other people exert on one's buying behavior

- **Roles** - actions and activities performed based on expectations of the individual and surrounding persons
- **Consumer socialization** - acquiring the knowledge and skills to function as a consumer; often from family influence
- **Reference group** - a group that a person identifies with so strongly that he or she adopts the values, attitudes, and behavior of group members

# Types of Social Influences (continued)

- **Opinion leader** - member of an informal group who provides information about a specific topic to other group members seeking information
- **Social class** - an open group of individuals with similar social rank
- **Culture** - accumulation of values, knowledge, beliefs, customs, objects, and concepts that a society uses to cope with its environment and passes on to future generations
- **Subculture** - group of individuals whose characteristics, values, and behavioral patterns are:
  - Similar within the group
  - Different from other groups



# Table 6.2 - Types of Family Decision Making

Decision-Making Type	Decision Maker	Types of Products
Husband dominant	Male head of household	Lawn mowers, hardware and tools, stereos, automobile parts
Wife dominant	Female head of household	Children's clothing, women's clothing, groceries, household furnishings
Autonomic	Equally likely to be made by the husband or wife, but not by both	Men's clothing, luggage, toys and games, sporting equipment, cameras
Syncratic	Made jointly by husband and wife	Vacations, TVs, living room furniture, carpets, financial planning services, family cars

# Table 6.3 - Examples of Opinion Leaders and Topics

Opinion Leader	Possible Topics
Local religious leader	Charities to support, political ideas, lifestyle choices
Sorority president	Clothing and shoe purchases, hair styles, nail and hair salons
“Movie buff” friend	Movies to see in theaters, rent, or buy, television programs to watch
Family doctor	Prescription drugs, vitamins, health products
“Techie” acquaintance	Computer and other electronics purchases, software purchases, Internet service choices, video game purchases

# Criteria for Grouping People into Classes

Occupation and education

Income and wealth

Race and ethnicity

Group

Possessions



# Social Class Behavioral Traits and Purchasing Characteristics for Upper Americans

Class (Percent of Population)	Behavioral Traits	Buying Characteristics
Upper-upper (0.5)	<ul style="list-style-type: none"><li>• Social elite</li><li>• Of aristocratic, prominent families</li><li>• Inherited their position in society</li></ul>	<ul style="list-style-type: none"><li>• Spend money on private clubs, various causes, and the arts</li></ul>
Lower-upper (3.8)	<ul style="list-style-type: none"><li>• Newer social elite</li><li>• Successful professionals earning very high incomes</li><li>• Earned their position in society</li></ul>	<ul style="list-style-type: none"><li>• Purchase material symbols of their status</li><li>• Provide a substantial market for luxury product offerings</li></ul>
Upper-middle (13.8)	<ul style="list-style-type: none"><li>• Career-oriented, professional degree holders</li><li>• Demand educational attainment of their children</li></ul>	<ul style="list-style-type: none"><li>• Provide a substantial market for quality product offerings</li></ul>

# Social Class Behavioral Traits and Purchasing Characteristics for Middle Americans

Class (Percent of Population)	Behavioral Traits	Buying Characteristics
Middle class (32.8)	<ul style="list-style-type: none"><li>• Work conscientiously and adhere to culturally defined standards</li><li>• Average-pay white-collar workers</li></ul>	<ul style="list-style-type: none"><li>• Price sensitive</li><li>• Spend on family-oriented, physical activities</li></ul>
Working class (32.3)	<ul style="list-style-type: none"><li>• Average-pay blue-collar workers</li><li>• Hold jobs that entail manual labor and moderate skills</li><li>• Some are union members</li></ul>	<ul style="list-style-type: none"><li>• Reside in small houses or apartments in depressed areas</li><li>• Impulsive as consumers yet display high loyalty to national brands</li><li>• Seek best bargains</li></ul>

# Social Class Behavioral Traits and Purchasing Characteristics for Lower Americans

Class (Percent of Population)	Behavioral Traits	Buying Characteristics
Upper-lower (9.5)	<ul style="list-style-type: none"><li>• Low-income individuals who generally fail to rise above this class</li><li>• Reject middle-class morality</li></ul>	<ul style="list-style-type: none"><li>• Living standard is just above poverty</li><li>• Frequently purchase on credit</li></ul>
Lower-lower (7.3)	<ul style="list-style-type: none"><li>• Poverty stricken</li><li>• Some are unemployed</li><li>• In spite of their problems, often good-hearted toward others</li><li>• May be forced to live in less desirable neighborhoods</li></ul>	<ul style="list-style-type: none"><li>• Spend on products needed for survival</li><li>• Able to convert discarded goods into usable items</li></ul>



# Consumer Misbehavior

**Consumer misbehavior** - behavior that violates generally accepted norms of a particular society

- Shoplifting
- Consumer fraud
- Piracy
- Abusive consumers